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Nicaraguan rebels find aid despite U.S. cutoff

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WASHINGTON — Anti-Sandinista rebels, faced with the refusal of Congress to continue paying for the Reagan administration's "secret war" against Nicaragua, have turned to a variety of sources — including foreign governments friendly to the United States — for millions of dollars in cash and military equipment, administration and congressional sources say.

The rebels, widely known as *contras*, are believed to have obtained \$15 million to \$20 million in cash, weapons, ammunition and supplies this year from the governments of Israel, Argentina and Honduras as well as from individuals and groups in the United States, the sources say.

That aid — much of which sources say was obtained with the quiet assistance of the U.S. government — nearly matches President Reagan's \$21 million supplemental request for the rebels this fiscal year, which Congress has refused to approve.

As a result, Bosco Matamoros, the Washington spokesman for the Nicaraguan Democratic Force (FDN), says the insurgents have been able to continue operating at the same levels they did before Congress began balking at additional U.S. assistance in hopes of winding down the war.

According to the sources — White House and congressional aides with access to sensitive classified data, who asked not to be identified — most of the alternate aid to the *contras* has come from:

- Argentina, whose former military regime agreed in the last two years to provide \$10 million in military equipment — rifles, ammunition and spare parts — to the Honduran government as middleman for the *contras*. The current civilian government of President Raul Alfonsin has agreed reluctantly to honor this commitment, Argentine diplomatic sources said.

- Israel, which has shipped \$4 million to \$5 million in cash and arms to the *contras* this year in response to a quiet U.S. request. Sources say the Israelis have been indirectly reimbursed through American economic aid. The Israeli government denies any involvement with the *contras*.

- Honduras, which also has provided funds and logistical help to the *contras* on U.S. request and also is being reimbursed through American economic aid. The Honduras government also denies assisting the rebels.

- Private groups in the United States such as the Alabama-based Civilian Military Assistance, two of whose members were killed Sept. 1 while training a *contra* pilot to fly a helicopter. Civilian Military Assistance has provided more than \$80,000 in cash and equipment to the *contras*, while lesser amounts have been given by Soldier of Fortune magazine and the Veterans of Foreign Wars.

- Wealthy residents of the United States, who reportedly have contributed sizable amounts to *contra* coffers.

Thus far, the Reagan administration has denied providing any secret aid to the *contras*, insisting that the rebels are raising money entirely on their own in the wake of congressional inaction on Reagan's funding request.

But congressional sources insist that there is strong indication that U.S. military aircraft secretly airlifted some of the private aid to the rebels and that the Central Intelligence Agency — despite its denials — has cooperated with the *contras*.

"There is no question that, whatever the *contras* were doing in seeking aid from alternate sources of assistance, had the tacit approval, if not the encouragement, of the CIA and perhaps the President himself," said a Senate Intelligence Committee source.

Congressional opponents of the war recently began an investigation into any possible CIA involvement in the undercover financing and whether the administration has violated the intent of legislation restricting the *contras'* funding to \$24 million this year.

However, the CIA has refused requests for an accounting of the undercover aid.

"They have told us that as long as we don't pay the *contras*, then we have no control over their actions,"

a congressional source said. "They cite this problem as a form of pressure on the Congress to resume aid to the *contras* so that we can regain control of their activities."

Sen. Daniel Patrick Moynihan (D., N.Y.), vice chairman of the Intelligence Committee, also has asked the State Department to investigate whether the U.S. Neutrality Act — which prohibits U.S. citizens from aiding foreign rebellions — has been violated by the private groups.

Although administration officials officially deny asking any foreign government to help the *contras*, they acknowledge privately that U.S. officials let it be known "in the right places" that the *contras* needed help and that the United States would make it up to any cooperating country in the form of economic aid.

"The administration preserves deniability," acknowledged one congressional source, "since it would be very difficult to prove legally that economic support funds were not used for their intended purpose."

Administration officials do acknowledge, however, that they were aware that the rebels had gone outside the CIA to secure additional funds.

"You know the history of our own budget considerations as far as Nicaragua is concerned, and it may well be that the *contras* are seeking to raise money or seeking to recruit mercenaries," State Department spokesman John Hughes said. "... I suppose it is entirely possible that those people who feel that their revolution has been stolen ... may resort to other sources."

The bulk of the aid has come from three foreign nations — Argentina, Israel and Honduras.

In Argentina, the recently elected civilian government — which opposes Reagan's Central America policies — has nonetheless agreed to honor agreements signed by its military predecessors over the last two years, according to Argentine diplomatic sources.

The agreements call for the shipment of \$10 million in rifles, ammunition and spare parts through the Honduran government to the rebels, who consider the aid critical to their continued fighting ability.

The participation of the Israeli and Honduran governments is less visible — and denied by each of them. Congressional sources say Israel has contributed as much as \$5 million — and Honduras an unspecified addi-

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tional amount — to help meet the *contras*' payroll of roughly \$800,000 a month for an estimated 12,000 to 15,000 soldiers.

The money also pays for operations, travel and international arms purchases, the sources said. In addition, both nations reportedly have supplied the rebels with weapons, materiel and — in the case of Honduras — logistical support.

According to the sources, Israel and Honduras are reimbursed indirectly by the United States via economic aid funds. Although the U.S. dollars are spent on legitimate development projects, the sources said, the foreign governments match the amount with local currency drawn on their central banks — and ship this money to the *contras*.

In addition, congressional sources say they believe that U.S. military aircraft secretly airlifted some of the private aid to the *contras*.

One congressional source said it was understood that the Defense Department organized 10 or 15 missions to carry the supplies to Honduras in the last six months. A Pentagon spokesman said he knew of only one such mission, in May, when an Air National Guard plane carried private aid to Honduras for Nicaraguan refugees.

The sources also said the U.S. Embassy in Honduras may have played an active role in facilitating contacts between private groups and Honduran military officials, who in turn served as go-betweens for the *contras*.

Widespread interest in the *contras*' alternate sources of funds and supplies was aroused recently when a Sandinista military unit shot down a rebel helicopter over Nicaraguan territory, a few miles from the border with Honduras where the insurgents are based.

Two of the three men aboard were American citizens — members of the Huntsville-based Civilian Military Assistance — whom a rebel spokesman said were training a Nicaraguan pilot. All three men were killed.

Civilian Military Assistance, formed last summer to "fight com-

munist in Central America," has been aiding the *contras* since January and has collected nearly \$15,000 in cash and about \$70,000 in clothes, food and medical supplies for them from private individuals, according to the group's leader, Thomas Posey.

Although Posey denied that his group was recruited by the CIA, he did acknowledge receiving assistance from the U.S. Embassy in Honduras, which he said helped him contact Honduran military officials who then led him to the *contras*.

Besides Civilian Military Assistance, the *contras* have received aid in recent months from a variety of other groups throughout the United States.

Soldier of Fortune magazine, which appeals to paramilitary and survivalist groups, said that since November, its Central American Defense Fund has collected about \$2,400 in cash for the *contras* and is using it to finance the shipping of other donated assistance — mostly clothing — to the rebels.

In addition, \$4.2 million worth of medical supplies have been sent to the *contras* and to the Salvadoran army, said magazine executive editor Dale Dye.

Dye also acknowledged that Soldier of Fortune had "piggybacked" some of the donations aboard U.S. military aircraft bound for Central America.

"We are doing this not because we are aiding the CIA or the administration but because we are, first of all, unashamedly and unabashedly anti-communist and because we believe in the freedom fighters' cause," Dye said.

The 1.9-million member Veterans of Foreign Wars approved a resolution authorizing aid to the rebels at its convention last year shortly after VFW leaders met with Reagan at the White House. It has raised about \$2,000, a spokesman said.

Congressional sources also said that wealthy persons in various U.S. cities — including Nicaraguan exiles and Cuban-Americans in Miami — also had contributed heavily to the *contras*' cause this year.